FBIS DAILY REPORT

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ARMY CHIEF VIOLA RETURNS FROM VENEZUELA, SPEAKS TO PRESS

PY211426Y Buenos Aires TELAM in Spanish 0400 GMT 21 Oct 78 PY

[Excerpts] Buenos Aires, 20 Oct (TELAM)--On his arrival at Ezeiza international airport from Caracas, Army Commander in Chief Lt Gen Roberto Eduardo Viola spoke to the press.

Questioned about the dispute with Chile, he said: "I will have to repeat here what I said on several occasions in Venezuela. We are in the negotiation stage which has its ups and downs. At times there is a marked optimism, and at others the optimism decreases. I firmly believe that wisdom will prevail between the two countries and that Argentina and Chile will be able to achieve a satisfactory agreement without imparing our legitimate sovereign rights." When asked about the ministerial reorganization in our country, he answered: "Until I have spoken to the president I have nothing to say."

Regarding reports received from Venezuela which indicated that Viola had referred to the Argentine economic situation, especially inflation, he said: "I believe I have said previously in Buenos Aires that regarding economic affairs the government has achieved highly satisfactory progress since 1976. Out of a practically ruined economy a cleanup and order have been achieved of which we are deeply proud, although this does not mean to say that some problems remain to be overcome, among them--and this is known to everyone--the rate of inflation in Argentina, which is exceedingly high. This is one of the problems which has to be corrected.

"The recession period which the country is experiencing is another factor which undoubtedly has to be corrected, and without a doubt it is my belief that there is not a salary or price level which is in accordance with reality."

Finally, he said: "My visit was made in my role as a military officer, and the only event which may be considered outside this sphere is my meeting with President Perez." Asked about this meeting, Viola said: "Only after I have spoken to the other members of the military junta will there be any news on this matter," and he emphatically added: "I am fully and absolutely satisfied with my meeting with the Venezuelan president."

MONTES HINTS POSSIBLE EXTENSION OF CHANNEL TALKS

PY210126Y Buenos Aires TELAM in Spanish 0007 GMT 21 Oct 78 PY

[Text] Buenos Aires, 20 Oct (TELAM)--Argentine Foreign Minister Oscar Montes indicated today that the Puerto Montt Act, signed by presidents Videla and Pinochet, provides for an extension of negotiations of the second joint commission which is discussing the border issue to allow it to draw up and compromise on the necessary documents, as long as an agreement is reached before 2 November. In his statement at Ezeiza international airport shortly before leaving for Rome, where he will attend the installation of Pope Paul II Sunday, representing the Argentine Government, Foreign Minister Montes explained that he had "the Puerto Montt Act in mind when in recent remarks he mentioned the possibility that the joint Argentine-Chilean commission might extend its negotiations."

Montes stressed the great significance which "the installation of the new pope has for a Catholic country like ours," and emphasized the honor "of being able to attend this ceremony which is so memorable for the church."

Montes also indicated that the negotiations among Argentina, Brazil and Paraguay designed to reconcile the Corpus and Itaipu hydroelectric dams are underway and added that "some decision that will make the construction of Corpus viable will be reached by the end of the year."

He disputed the reports that negotiations for the utilization of the Alto Parana River have been discontinued, indicating: "We are still negotiating to give the finishing touches to the documents which will allow the three foreign ministers to meet and reach a final agreement on the Corpus waterhead in relation to the number of turbines which will be installed in Itaipu."

Asked about the diversion of the course of the Parana River carried out today by Brazil and Paraguay to facilitate the construction of the Itaipu dam, Montes said that "it merely means that an important task has been accomplished."

Recourse to War Mentioned

PY202352Y Paris AFP in Spanish 2033 GMT 20 Oct 78 PY

[Text] San Juan, Argentina, 20 Oct (AFP)--General Fernando Santiago, the director general of the Argentine Border Police [GENDARMERIA], stated here today that sometimes there is no means other than war to save the nation's honor, prestige and sovereignty. In remarks made to the press in this city, located some 1,300 kilometers from Buenos Aires, the military officer stated that because of the bonds linking Argentina and Chile, it would be better for the boundary dispute in the southern zone to be resolved with unterstanding and reason. But never at the cost of damaging the country's sovereignty and dignity, he warned. With respect to the negotiations underway between Argentina and Chile concerning the dispute in the Beagle Channel area, he said that as long as there is dialog, there is the possibility of a peaceful solution.

Lambruschini Views Deadline

PY210240Y Buenos Aires Radio Belgrano in Spanish 0130 GMT 21 Oct 78 PY

[Text] The commander in chief of the navy today concluded his inspection tour through installations in the southern part of the country. In remarks made in the city of Ushuaia, he described as irreversible Argentina's decision to declare void the arbitration decision by the British crown regarding the border dispute with Chile in the southern region. With respect to the negotiations underway to find a solution to the dispute, Vice Admiral Lambruschini said that the Puerto Montt Act has a deadline of 2 November, which is equivalent to 6 months of work by the second joint commission. Therefore, on the basis of the act, that date would mark the end of its deliberations. However, he added, there can be changes in any negotiations. There are still a few working days left for the second joint commission. This does not mean that if the governments agree to do so, there would be no possibility of extension. But right now, he repeated, the deadline is 2 November. With respect to his inspection of units in the southern naval region, he said he found them in an excellent state of training and readiness.

INTERIOR MINISTRY: 45 PERSONS RELEASED, NO NEW ARRESTS

PY210048Y Buenos Aires TELAM in Spanish 2124 GMT 20 Oct 78 PY

[Excerpt] Buenos Aires, 20 Oct (TELAM)--The Interior Ministry today reported that since 13 October the Executive Branch has ordered the release of 45 persons, while one was authorized to leave the country, in accordance with the terms of Law No 21,650. The official report also states that during the same period one person of Paraguayan nationality was expelled from the country.

BANZER CALLS FOR REORGANIZATION OF REVOLUTION

PY211821Y Paris AFP in Spanish 1406 GMT 21 Oct 78 PY

[Text] La Paz, 21 Oct (AFP)--Both the government and the opposition reacted harshly here today to a political document released by former President Hugo Banzer in which he asked for the reorganization of the Revolutionary Nationalist Front [Frente Nacionalista Revolucionario--FNR].

Banzer will leave for Buenos Aires next Monday to take charge of the Bolivian Embassy in Argentina and apparently this document is a farewell and at the same time an effort to keep himself in the Bolivian political scene.

The document released by Banzer is the former president's first foray into the political scene since being overthrown by current president, Juan Pereda Asbun, on 21 July 1978.

The declaration clearly identifies itself with the political ideas of the so-called national revolution which took over power in April 1952 under the leadership of three-times former President Victor Paz Estenssoro.

Banzer said: "The national revolution has not concluded; nationalism is not in crisis, much less finished."

Banzer stated, however, that "it is good to accept the principle that men pass, but no great revolution is fulfilled and completed within the lifespan of a person."

Banzer noted that revolutionary factions are currently dispersed and called for a wide front of sectors concentrated in large currents of opinion with basic ideological and program principles.

He said that this does not mean, however, that a new party must be created or that the force of an existing party must be activated, but that the front of sectors which mobilized the entire country in 1952 must be reorganized.

The former president, who ruled Bolivia for 7 years and called this year's July elections which led eventually to Pereda's coup, maintains that the Bolivian political parties, despite their many divisions, tend mostly toward a leftist democratic ideology.

He asserts that an ultraright based on power and money does not exist and that rightist and leftist extremism is excluded from the country's political sphere.

On this basis Banzer proposes that a political instrument be brought to the fore again... a front, an alliance or a joint action of parties with similar ideas which will be able to capture the approval of the people, which will encompass the people and which will mobilize them.

He concludes that in this way the country will be able to enter a democratic and pluralist period, but with a stability in which the takeover and preservation of power will not destroy institutions or men.

Edwin Rodriguez, secretary general of the National Revolutionary Movement [MFR] of former President Victor Paz Estenssboro, today termed Banzer's document a maneuver of the former president to reinstate himself in power [words indistinct], either through future elections or through a coup d'etat.

Rodriguez maintained that Banzer does not have the moral authority to adhere to the historical line of the 1952 national revolution.

Juan Lechin Oquendo, the powerful executive secretary of the Bolivian Labor Central [COB] and former vice president, accused Banzer of having personally enriched himself and of having given away fortunes to his aides during his 7 years as president.

Lechin demanded that the nation's comptroller general investigate the personal fortune of the former president, and at the same time he criticized the current government for having rewarded Banzer with the ambassadorship to Argentina for his 7-year management of the military regime.

Finally, President Gen Juan Pereda Asbun, in a speech which he gave on the occasion of the 25th anniversary of the Planning Ministry, indirectly accused Banzer's government of being developmentalist and maintained that this political-economic framework did not resolve any of the national problems.

FSB FACTION REQUESTS DIALOG WITH MILITARY

PY210253Y La Paz PRESENCIA in Spanish 17 Oct 78 p 7 PY

[Text] The Mario Guiterrez faction of the Bolivian Socialist Falange [FSB] asked the president of the nation to allow it, and other political parties, to meet with the army commanders and officers to acquaint them with their political positions. This request is related to one made by Fernando Diez de Medina [PRESENCIA commentator] to President Pereda Asbun, "which led to Diez de Medina's meeting with armed forces commanders and officers to convey to them his opinion on national politics."

FSB Secretary General Enrique Acha Alvarez, who signed the petition sent to President Pereda, said that he "was now awaiting to be informed of the time and the date to be set for the requested meeting."

In his letter he indicated: "I suggest the establishment of a program which would allow the other parties of the nation to hold similar meetings. It is obvious that if the personal opinion of a Bolivian man of letters could be of value, the positions and ideological beliefs of political parties are essential for the armed forces."

The FSB leader reasserted his party's position to the effect that the democratization of the country must be accomplished as soon as possible and not in 1980.

With regard to the Gutierrez faction's nonparticipation in the dialog between political parties and government, Acha Alvarez indicated that his party's position is that "these dialogs lead to nothing concrete."

He added that so far the date to implement democratization has not been established, and that the government still insists on its claim that 1979 is not the right year for it "because of the special circumstances prevailing in international relations."

According to its spokesman, the FSB believes that an indefinite postponement of the democratization process is "counterproductive" and opposes the will of the majority of the people, expressed in last July's elections which registered an "overwhelming" number of antigovernment votes.

On the FSB's prospects in future elections, Acha Alvarez indicated that his party will participate alone because it believes itself to be perfectly capable "of representing the desires and demands of the Bolivian people." However, he did not refute the possibility of holding talks with some political sectors and arranging an alliance.

'BOLIVIA ECONOMICA' WARNS AGAINST GAS SALES TO BRAZIL

PY210231Y La Paz PRESENCIA in Spanish 19 Oct 78 p 14 PY

[Text] With regard to the Bolivian-Brazilian negotiations for gas sales to that country, the informative magazine BOLIVIA ECONOMICA, published an article in yesterday's edition entitled "Official Policy: Sell As Much Gas As Possible." The article states: "The national government intends to reach an agreement with Brazil for the sale of natural gas in daily volumes of such magnitude that the country's existing reserves could be exhausted in only a few years.

"Sources from Bolivian Government Oil Deposits [YPFB] revealed that the experts negotiating in Brazil are instructed to offer up to 500 million cubic feet per day.

"Considering the sales which will be made to Argentina, if this should happen the remaining reserves estimated in July 1977 would be exhausted in 17 years.

"If this is so, the financing for the construction of the gas pipeline would be difficult to obtain, because this type of operation demands that the project have an assured life of at least 20 years.

"Coincidentally, reports offered [illegible] ago by the state oil company increased the figure of remaining reserves to amounts which would be exhausted in 20 years at the intensive rate of exploitation which is planned.

"The figure of estimated remaining reserves offered last year was of 4.5 trillion cubic feet, and it is now 5.4 trillion cubic feet.

"At any rate, present reserves will be exhausted in 20 years if their exploitation is for export purposes. This would not be so in the case of domestic consumption, unless this reaches a considerable volume.

"As is known, the government intends to encourage the consumption of gas in the country. In order to do this, it has even planned the construction of a network of gas pipelines to carry the gas to the main consumer centers.

"Political circles have argued that since the government is stressing the intensive exploitation of natural gas for export, the day when it will order the suspension of sales because of a depletion of reserves--as happened with oil--will not be far off."

BRIEFS

YPFB TO DRILL WELLS--Bolivian Government Oil Deposits [YPFB] has scheduled the drilling of (?13) exploratory wells during 1979 at a cost of $26 million. Another (?15) wells will be drilled to confirm the reserves of gas which have already been discovered. The cost of drilling these wells amounts to over (?$25) million, which the World Bank will be asked to finance. Sources said that the new administration has decided to discontinue the current conservative policy. [La Paz Radio Cruz del Sur Network in Spanish 2300 GMT 19 Oct 78 PY]

CENTRAL BANK PRESIDENT RESIGNS--Bolivian Central Bank President Jose Justiniano Aguilera has resigned because he disagreed with the high cost of the lead and silver plant project which is to be located in Potosi Department. [La Paz Radio Panamericana Network in Spanish 0000 GMT 21 Oct 78 PY]

JUSTICE QUESTIONS ESPINOZA ON LETELIER CASE

PY201722Y Santiago Chile Domestic Service in Spanish 1000 GMT 20 Oct 78 PY

[Text] The president of the Supreme Court questioned Army Col Pedro Espinoza, who has been implicated in the Letelier case by U.S. courts, for 6 hours. Espinoza left the court some time after 2100 last night for the military hospital. Defense lawyer (Sergio Miranda Harrison) stated that next Wednesday or Thursday, or when the questioning has concluded, he will probably submit an enormous amount of disturbing documentary evidence which will cause a big surprise to the public.

He indicated that the evidence will conclusively show that the three soldiers he is defending are not guilty.

'EL MERCURIO' APPLAUDS CLOSER TIES WITH PRC

PY202223Y Paris AFP in Spanish 0249 GMT 20 Oct 78 PY

[Text] Santiago, 19 Oct (AFP)--EL MERCURIO today commented that Chilean Foreign Minister Hernan Cubillos' visit to the PRC is a demonstration of the coinciding political interests of the two countries. The newspaper added that Chile, subjected in recent years to strong political and economic pressures by the Soviet Union and, to a lesser degree but in a more significant manner, by the United States itself, has been forced to seek to broaden its relations with other countries and powers.

The Friday edition of the newspaper added: Furthermore, in addition to the advantageousness of strengthening political ties with countries which support the principle of nonintervention, it is obvious that Chile should seek to establish economic and commercial ties with the PRC.

ADMIRAL MERINO CONCLUDES TOUR OF BEAGLE AREA

PY211430Y Paris AFP in Spanish 0214 GMT 21 Oct 78 PY

[Excerpts] Punta Arenas, Chile, 20 Oct (AFP)--Chilean Navy Chief Adm Jose Toribio Merino today concluded a visit to the Beagle Channel, a crucial point in the border dispute with Argentina. Before making his trip, Merino had said: "My desire is to have our ships always sail in peaceful waters, but if this is not possible, then in keeping with our tradition, they must stand firm in defending our sovereignty."

Referring to the border dispute between Chile and Argentina in this southern region of the continent, Merino commented: "I hope that the dispute will be resolved justly, especially since the two countries have a long record of friendship and they have the desire and will to live in peace." Merino returned tonight to Punta Arenas from Puerto Williams.

FOREIGN DEBT, CREDITS HIGHER THAN IN 1977

PY201657Y Santiago Chile Domestic Service in Spanish 1000 GMT 20 Oct 78 PY

[Text] Foreign credit and contributions which entered the country between January and August are higher than the total amount received last year. During the first 8 months of the year $435 million entered the country; 1977's total amounted to $347 million. This seems to reflect the effects of recent measures which allow banks to have larger debts abroad.

This information was provided by (Daniel Tapia), a Central Bank official, during a roundtable meeting sponsored recently by the (Guillermo Dubercateau) Institute of Banking Studies.

It was also indicated that the net Chilean external debt between January and May amounted to $5.344 billion. Of this total, the public sector owes $4.295 billion and the private sector $1.548 billion. Last year's total foreign debt amounted to $5.434 billion.

CHIEF OF STAFF RETURNS FROM BRAZIL, DISCUSSES VISIT

PY211506Y Santiago Chile Domestic Service in Spanish 1000 GMT 21 Oct 78 PY

[Excerpts] Gen Washington Carrasco, chief of staff of the Chilean Army, said that Chile has fully complied with the Puerto Montt Act. Therefore it has maintained an attitude of detente and it has in no way affected the current negotiations. These remarks were made by the army chief of staff during a press conference regarding his recent trip to Brazil.

[Begin Carrasco recording] I was invited by my Brazilian counterpart, the Brazilian Army chief of staff. It was a great opportunity to strengthen the traditional links of friendship between our armies and our countries. I was again able to see that this real friendship is not just between the two governments, but also between the two peoples. It was satisfying to see that Chile is appreciated by Brazilians, just as Chileans appreciate Brazilians. [end recording]

Regarding reports from the foreign press about an alleged purchase of weapons from Brazil by the Chilean Army, General Carrasco said that this was denied when he was in Brazil. He reaffirmed that our country is in no way involved in an arms race. He said that our government has many more important problems to solve, such as integration, reducing inflation and creating new sources of work.

Regarding the border conflict with Argentina, General Carrasco emphasized that the Chilean position is unchangeable. He then refuted the capricious remarks by some Argentine sectors who speak of a peaceful occupation of the islands which were given to Chile by the arbitration award.

[Begin Carrasco recording] [words indistinct] to repeat again what I said in Brazil, where I was asked several times about the border conflict with Argentina. First of all, I said that in my position as a (?visitor) it was not proper for me to make a statement on this matter, thus putting the host country in a difficult situation. Also, we had signed an agreement and commission No 1 was created, that is, a negotiating commission. It has been clearly established that any statement (?must be thought out) [words indistinct] to avoid creating a psychosis [words indistinct]. I believe that our country has fully complied with the (?Puerto Montt Act). Therefore these matters [words indistinct] only by the president or the Foreign Ministry. [end recording]

He then said that the forthcoming visit of the Brazilian Army deputy chief of staff, Gen Florimar Campello, is aimed at strengthening friendship at the army level. General Campello will arrive next Tuesday on a 1-week visit. He will visit the fifth region and during the last 3 days he will stay in Arica.

TEXT OF INTERIOR MINISTER'S SPEECH TO NATION

PY201830Y Santiago Chile Domestic Service in Spanish 0038 GMT 20 Oct 78 PY

[Speech to the nation by Interior Minister Sergio Fernandez: place not given--presumably live]

[Text] [intercepted in progress] strengthen through constitutional provisions the professional status of the national defense institutions, which the draft law considers to be essential for national security and to guaranteee institutional order in the republic. Also highly important are the ideas aimed at furthering technical regulation of the monetary and exchange policy. This is designed to avoid playing with deceitful, populist inflationary measures which would frustrate the just expectations of the most needy sectors in the midst of false illusions which are often stimulated by those who seek power.

The strengthening of the president's authority to face undue congressional interference should also be considered in this context, because the economic and administrative leadership of a modern state demands a degree of coherence which is incompatible with the nature of a congressional assembly. This coherence can only be achieved through the government's responsible action. The system of checks and balances is established in the constitutional draft through appeals which can be made to courts, by furthering the independence of these courts, through a constitutional court, through a court having jurisdiction over state vs individual conflicts in administrative matters, through the technical instances mentioned earlier, through a degree of professionalization in the public administration and through the proposed national security council, which veers completely away from the old concept that the proper way of balancing power is by granting excessive powers to Congress.

We must add to the above the incorporation of high-ranking personalities of our national republican life, corrections designed to honor the future congressional function, and a clear-cut separation of political activities from those of associations or unions. All this conveys the idea guiding the new institutional system to attack with determination the major vices which led to demagogical elections and caused the destruction of our previous constitutional regime. Added to these factors are the strengthening of individual decisions, of the family as the basic unity of society, of the autonomy of intermediate groups between the individual and the state to meet their respective goals, and of the rights of people in their various forms of expression.

The draft is subject to study and consideration by the president and the government junta. After the report of the State Council, it will be opened to any observation which may arise. However, it undoubtedly represents a work which makes the new democracy reasible and not a vague or confusing illusion. It represents a firm reality toward which Chile is heading. In our country, a really new broad institutionality is being born which, paradoxically, finds the strength to reencounter the roots of the nation through its audacious creativity. Here we are forging a democracy which neither deifies nor weakens universal suffrage until it becomes only an end, but proclaims that any form of government justifies itself only when it is able to help a politically free, economically efficient and socially united society, imbued with the spiritual values which will permit it to overcome the limitations of modern materialism [words indistinct].

A democracy which does not serve its objectives is a mere formal shell which will disappear. A renewed democracy which combines freedom with personal security, which combines full social participation with strong, technified and nondemagogic authority--which, in sum, will harmonize rights with the duty which the free nations have of successfully defending th mselves against totalitarian aggression or terrorist violence--is, on the other hand, the everlasting framework which our fatherland is pursuing and desires.

Now then, the president has clearly set the course which the institutional process will follow until its complete implementation, which is an exclusive right of the military government and which with reason the chief of state has declared cannot be renounced or delegated, because it emerges directly from the legitimacy of 11 September 1973 and because it received unquestionable overall ratification on 4 January 1978.

The cabinet is the executor of this course and of the slow advance which it signifies toward a new democracy [words indistinct] the highest objective of the national liberation movement, which was officially announced in the Chilean Government's declaration of principles 6 months after the memorable event.

In view of this commitment which has now become a duty, I feel it is my obligation to clearly denounce the attempts of two extremist and opposition groups to try to change the course outlined by the president, with the evident purpose of twisting the ultimate objectives which have been clearly explained to the country.

One of these groups is made up of the traditional party sectors, which are trying to precipitate the country toward elections. In order to do so they are trying to create outbreaks of agitation and disorder. Some of them do so because of a simple ambition for power, but all those in opposition--without exception--do so because of their common desire to return to the same system which caused the ultimate crisis in 1973, because it was in this system that they were born and prospered.

The other group is made up of those who confuse authentic nationalism with other strange doctrines which are foreign to our character, or identify strong authority with arbitrary violence, with the intention of establishing a regime which would implement simple formulas of force.

While the first group desires the reestablishment of the old classic democracy, the second repudiates any type of democracy. Equidistant from these two positions, the government is advancing toward the gradual but effective implementation of a new democracy in the certainty that it is interpreting the demands of history and the deep-rooted feeling of the national majority.

Other sectors which for their own comfort adopt inflexible attitudes are also accomplices, whether they are aware of it or not, of those who do not believe in any type of democracy. The sectors which are aware do not conceptually reject the need to advance toward a new participatory institutionality, but they always believe that every step in this direction is premature and dangerous.

In the end this is an escapist attitude with very little vision which would burden a military government with indefinitely maintaining social peace.

I call on these sectors to assume their own responsibilities, and I remind them that while social conflicts must be channelled, never encouraged, seeking to have these conflicts disappear completely would ignore the reality of human coexistence and permanent evolution.

In any case, the government reasserts that it will not be led astray by either of the two extreme tendencies which want to divert it from its course. Let those who seek the reinstatement of the prior framework of political chicanery by means of actions aimed at weakening the process, know that the full force of the law will befall them as proven by the situation unleashed in Loa Province. Let it also be known that the activists of that socially disgraceful Popular Unity can expect no pity. This is the reason for the government's attitude toward the return of political exiles.

Let is also be known to those, who from the other extreme promote unwarranted measures of force, that we shall not fall in the trap which will lead us to play into the hands of the current enemies of the regime.

Finally, let it be known to those who advocate stagnation, that we shall continue on our way toward the new institutionality, disregarding their groundless fears.

We do not accept being restricted to the choice of being either harsh or lenient. Neither can we accept being described as pro-opening or anti-opening. These expressions are valid for those who act in accordance with foreign influence, not for those who have their own inner light to point the way toward specifically chosen objectives.

The current civilian-military cabinet is neither harsh nor lenient. Neither is it pro-opening or anti-opening. It is merely a cabinet which, overcoming [word indistinct] rightwing or leftwing extremes, follows the policy of strong, just and balanced authority, which seeks a new democracy prudently but positively.

It is in line with this description that I inform you tonight that the government has decided to disband seven unions of clear-cut Marxist tendency, charging them with illegal association. It has also decided to legally punish any labor union which should dare to operate without the appropriate and legitimate legal status, because the growing proliferation of such organizations demonstrates the inadmissible desire to create political front organizations aimed at generating artificial pressures to politically use the union movement for the fulfillment of objectives alien to the legitimate interests of the workers.

At the same time, in line with the antibureaucratic campaign announced by the president in his recent speech to the nation, I inform the country of the issuance of a decree granting extraordinary powers to the Interior Ministry. These powers are designed to streamline administrative tasks, remove officials who have infringed against public rights, eliminate and simplify in numerous public offices the unnecessary and lengthy bureaucratic steps, incompatible with a modern society, which justly displease the citizenry.

I call upon all public officials and all Chileans in general for creative and realistic cooperation by means of practical suggestions which will be received and channelled by this ministry through a body [words indistinct] which will be created for this purpose and the details of which will be released soon.

At the same time, increasing even further the development of social participation of intermediary sectors within the framework of university and student's organizations [passage indistinct] the needs for representativeness and [word indistinct] which must prevail in the autonomous operation to which both union and university organizations are entitled.

The implementation of direct elections at the level of each course or class, generating among the leaders of student centers and the federation which groups them [passage indistinct]. This situation fatally leads to the politicization of these organizations giving rise to a vice, whose worst consequences we have clearly seen prior to 11 September 1973, which is the true objective of those who advocate the reinstatement of the framework which failed in the past and which the new institutionality has the duty to overcome.

Although of a very different nature from the previous sector, another field of great importance in society is that of union organizations, whose peculiar and delicate characteristics demand broad solutions which have required the government's meticulous study. Along with the valuable help of workers themselves, we have obtained the cooperation of the most outstanding organizations established [words indistinct].

I inform the nation that during the next few days the government will disclose the guidelines it has drawn up to implement a new union institutionality, in contrast with the politicization and divisive nature with which unions were victimized in the past through partisan infiltration in the life of the [word indistinct].

In ending these remarks I reassert the faith of the military government in the maturity of the Chilean people to understand that if we do not wish to return to the formulas which a bitter experience proved erroneous, it is essential to implement the new models of a modern democracy.

We are sure that Chileans will be able to [words indistinct] healthy and effective participation in society, and to show foreign invaders and their allies that the sons of this land, who yesterday rescued the nation's endangered freedom, today know how to exercise freedom to continue building a great, fraternal and just nation, reaffirming in this way the great victory of 11 September.

Thank you very much.

Details of Banned Unions

PY202306Y Santiago Chile Domestic Service in Spanish 1630 GMT 20 Oct 78 PY

[Text] Decree-Law No 2,346, which declares illegal and disbands seven entities controlled by the outlawed Communist Party, is now in force. In a speech broadcast over the radio and television network last night, Interior Minister Sergio Fernandez announced the disbandment of seven well-known pro-Marxist organizations.

They are: the National Peasant and Indian Confederation, the National Peasant-Worker Unity Confederation, the National Federation of Steel Unions, the Santiago Professional Union of Construction Workers, the National Textile and Garment Federation, the Industrial Federation of Building, Lumber and Construction Workers and the National Mining Industrial Federation.

In its preamble, the decree states that both the behavior of the above entities and their leaders' actions have demonstrated that they act on foreign orders. Their actions and goals are in keeping with the principles and objectives of the Marxist doctrine. In sum, their ultimate objective is the division of the national community.

These entities have time and again distorted their functions to the point that their existence and functioning has become incompatible with the need to preserve national unity.

All of the assets of these Marxist front organizations are transferred to the state. The Interior Ministry will announce the disposition of these assets.

By Decree-Law No 2,347, the government has established that any association or group of persons assuming the representation of sectors of workers, without due authorization, is a threat to public order and to the state's internal security. Those who violate this decree-law will be punished with short-term imprisonment [words indistinct]. Trials for these crimes will be initiated only at the request of or upon charges made by the interior minister.

Union Headquarters Raided

PY210140Y Paris AFP in Spanish 0217 GMT 21 Oct 78 PY

[Excerpt] Santiago, Chile, 20 Oct (AFP)--Chilean labor sources indicated that the Chilean military government today took over the headquarters and assets of the unions it had disbanded yesterday. Government officials and uniformed policemen raided the headquarters of the unions and arrested five workers who, according to the same labor sources, were later released.

According to official reports, the security organizations found approximately 600 kg of political documents in the headquarters.

The disbandment of these peasant and workers organizations was announced yesterday by Interior Minister Sergio Fernandez who stressed the clear-cut Marxist leanings of their leaders. Spokesmen for the disbanded organizations indicated that they included [words indistinct] unions all told, with approximately 100,000 members.

New Decree Condemned

PY211930Y Paris AFP in Spanish 1633 GMT 21 Oct 78 PY

[Text] Santiago, Chile, 21 Oct (AFP)--A Committee for the Defense of Union Rights today stated that the Chilean military government has begun a persecution campaign against state employees. The accusation signed by union leaders Clotario Blest, Eduardo Long Alessandri and Santiago Pereira is based on a recent decree by which the interior minister was granted special powers to remove state employees. The communique also stated that the dissolution of seven union organizations ordered by President Augusto Pinochet violates the Universal Declaration of Human Rights and the international labor law.

Interior Minister Sergio Fernandez told reporters that the special power granted to him by decree, published yesterday, is aimed at streamlining the administration of the state organizations. Fernandez denied that these measures may encourage accusations between state employees.

The morning newspaper LA TERCERA DE LA HORA stated in its editorial, however, that considering the subjective contents of the powers granted, there is the real possibility that these powers may become instruments for political action or used to satisfy petty revenge. With regard to the dissolved union organizations, the assets of which the government seized, Fernandez emphasized these unions' clear Marxist orientation and added that the idea is to have workers represented by their real leaders.

BRIEFS

GENERAL VIAUX RETURNS--Santiago, 20 Oct (AFP)--Chilean Gen Roberto Viaux (Ret) returned to Santiago today after 5 years of exile in Paraguay. General Viaux had first been jailed and then exiled for his role in the assassination of the commander in chief of the Chilean Army, Gen Rene Schneider, in October 1970. Upon arrival, General Viaux stated that his convictions remain unchanged and firm. [Paris AFP in Spanish 1527 GMT 20 Oct 78 PY]

FOREIGN MINISTER DISCUSSES DOLLAR, OTHER LSSUES

PA212219Y Bogota EL ESPECTADOR in Spanish 20 Oct 78 pp 1A, 9A PA

[Text] Foreign Minister Diego Uribe Vargas yesterday criticized the international monetary system, calling it one of the great problems for Third World economies.

The foreign minister contended that the monetary system is very bad because countries which have their international reserves in a currency that is constantly being devalued without controls in order to nurture inflation--as is the case with the United States--are imposing poverty on us for many reasons not related to our conduct.

"We find a developing world in which foreign exchange is devalued in dollar terms for reasons beyond our control," Uribe Vargas stressed.

The Value of the Dollar

At the same time he said that the dollar's declining purchasing power--for a country which keeps its foreign currency reserves in dollars, makes its purchases and receives its income in dollars--is a phenomenon causing imperceptible deterioration of reserves along with the deterioration of the purchasing power of the foreign currency which we receive for our raw materials, even if we negotiate and improve our conditions in the foreign market.

"The developing world is expanding because it is even poorer and more battered, it has fewer financial resources, its products are undervalued in international markets, its trade terms are worse and its trade is more limited. [as published] Barriers arise and one finds Europe protecting Africa through a number of agreements which we do not censure but which are discriminatory against the Latin American countries."

The Case of Oil

The minister admitted that the oil countries also protest imbalances in the international monetary system, but he noted that all Third World countries are harmed by deterioration in the foreign exchange we are paid for our basic goods.

"The developing world is a multifaceted world that does not admit simplistic solutions and does not allow us to say that we are going to do just this or that, the foreign minister emphasized while talking to a group of newsmen who participated in the seminar on "the people's right to information," organized by the Association of Latin American Journalists for Development.

Uribe Vargas advocated creation of a common front to defend the monetary system with participation of small and big [countries] in order to protect our reserves from devaluation which could take place overnight and without consultation.

"We are going to defend the sea because we have been served notice that they are going to keep it, while we are going to uphold the transfer of technology even more," the minister stated. He underscored the Colombian thesis of implementing a policy of protection of technological, scientific and monetary resources, as well as airspace, water, land and primary products.

Legal Order

He added that awareness of and confidence in international legal order has been increasing and is now much greater than it was 20 or 30 years ago.

"Of course, there are threats, there are dangers and there are governments which work against it. The distrust is quite understandable, but we believe that we have medicine for that disease and can save the patient," the foreign minister said.

TURBAY ANNOUNCES POLICIES FOR SMALL INDUSTRIES

PA212310Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 21 Oct 78 PA

[Text] President Julio Cesar Turbay Ayala today announced his government's plan of specific development policies for small and medium size industries and also a bill to promote that sector's development. He announced this at the Colombian Small Industrialists Association's 23d congress in Ibague, capital of Tolima Department. He explained that the bill will create mechanisms to give technical assistance, income tax incentives on profits, and product marketing facilities to small and medium industries. He also announced a major technological development plan and reorganization of the National Council of Science and Technology.

President Turbay Ayala reiterated that some of his government's main objectives are to create confidence in investment and job stability, strengthen social peace and restore faith in democratic institutions. He said that his government has taken the first and most important step in decentralizing administration and industry. On this matter, he said that the government issued a decree today decentralizing the administration and granting the governors special powers. In this way, Turbay Ayala pointed out, I am fulfilling one of the promises I made during the electoral campaign. It is not possible to do everything in a day, but I am sure that when my term is up decentralization will be a reality and not an unfulfilled promise, President Turbay Ayala added.

The government wants small and medium industries to become cornerstones of the industrial decentralization program [words indistinct] so that our fellow citizens can participate in industrial development and make a good living for themselves without having to go to the big cities.

President Turbay Ayala also promised to review the government's purchasing system in order to give small and medium industries the opportunity to participate in the country's foreign trade. He said that the system of choosing suppliers will be reviewed and that credit will be granted to small and medium industries so that they can fulfill production contracts.

Turbay Ayala promised to increase programs that will provide small and medium industries with the opportunity to expand. To this end he announced that the export promotion fund will continue giving assistance in the marketing of products. He also said that small industrialists will receive assistance from the National Apprenticeship Service.

SMALL INDUSTRIES OPPOSE PLANNED WAGE INCREASE

PA220231Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 21 Oct 78 PA

[Text] Ibague--Small and medium size industries today strongly opposed the plan to increase the minimum wage for workers to 7,200 pesos per month. Jose Miguel Lopez Calles, president of the Colombian Small Industrialists Association [ACOPI], said in a speech closing ACOPI's 23d congress that the proposals of the National Association of Financial Institutions are unacceptable and that small and medium industries are unable to meet a wage increase of such magnitude.

[Begin Lopez Calles recording] I am going to take a few minutes to tell the president of the republic and his labor minister that the sector I represent disapproves of the irresponsible proposals for a wage increase at a time when the government has not even determined its wage and price policy. [applause]

In the meantime, the sector which monopolizes finance and raw materials is trying to impose on us--we who are creating working opportunities throughout the country--a minimum wage for workers which is impossible for us to pay. I would like to know what is to become of small and medium industries and small farmers if they are forced to pay a minimum monthly salary of 7,800 [as heard] pesos. We would have to stop producing immediately, and consequently employment in Colombia would be affected. This would be the consequence of the minimum salary increase. In my opinion, these proposals certainly are not advisable, particularly when the government is just beginning to straighten out the nation's economy, which has been bad for a long time.

I really do not believe that such proposals are true. Maybe it is a new concept for a family general minimum income. If that were the case, we would support it. Mr President, we are willing to discuss with the workers and the government a just and equitable wage increase that will allow our workers to live decently. [end recording]

ACOPI President Lopez Calles also referred to the situation of the small and medium industries' hope for the programs the government is planning for its benefit.

NEW ATTORNEY GENERAL SWORN IN 20 OCTOBER

PA201853Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 20 Oct 78 PA

[Excerpts] Colombia's new attorney general, Guillermo Gonzalez Charry, today defended the sense and scope of the measures of control and security established over Guajira Department and revealed that study of a new wide-scale plan of economic and social rehabilitation for the area is underway. Gonzalez Charry gave some details of the project after he was sworn in at President Julio Cesar Turbay's office.

The new attorney general announced that his office will undertake an aggressive campaign in favor of morality in the country. During the ceremony in which he was sworn in Gonzalez Charry said: I will spare no effort to serve the nation in this post despite the present difficulties.

BRIEFS

PRESIDENTIAL SECRETARY'S RESIGNATION--Bogota, 21 Oct (AFP)--Alvaro Perez Vives, secretary general of the Presidency of Colombia, has submitted his irrevocable resignation because of differences with the civil aeronautics director. [Paris AFP in Spanish 1722 GMT 21 Oct 78 PA]

TV RELAY--Bogota, 19 Oct (LATIN)--The Colombian Government has announced that its television service will be extended to Leticia, 120 km southeast of here in the Amazonian region close to Brazil, Ecuador and Peru. Communications Minister Jose Manuel Arias Carrisoza reported that the Colombian radio and television service (Inravision) will contract with Intelsat to initiate transmissions to that city. The same system is at present being used to provide television service to San Andres and Providence islands. [Buenos Aires LATIN in Spanish 1151 GMT 19 Oct 78 PA]

ECONOMISTS CRITIZE OIL, SPENDING POLICIES

PA221556Y Quito Voz de Andes in Spanish 1230 GMT 22 Oct 78 PA

[Text] Beginning in 1985, the country will not be able to keep oil production stable because of the inevitable depletion of deposits caused by a deterioration of [word indistinct], local economists warned at the close of a meeting in which experts throughout the nation participated. In the final report of the meeting, held in Quito, the economists criticized the excesses that have been committed at all levels of economic activity as a result of the substantial inflow of foreign exchange from oil exports. They said that both the private and public sectors have surpassed all of the country's real possibilities concerning investment, borrowing, imports and internal production in general. According to the Ecuadorean economists who discussed the country's economy for 2 weeks, so-called "petrolism" [petrolerismo] has concealed Ecuador's underdevelopment and fostered unusual consumption in all sectors. We have been making superfluous imports, the most outstanding of which are luxury automobiles and sophisticated household appliances. In other words, the economists say, we have been importing like millionaires.

Moreover, not overlooking the execution of projects of national importance, the economists' report says that investments have been made in inconsequential, luxury and decorative projects, resulting in an incredible foreign debt and an unjust distribution of income. The experts warn that if this trend continues the community will be faced in the future--when oil becomes scarce--with conditions that will be even more serious than the situation prior to the oil boom. According to the final report, oil-produced foreign exchange amounted to 64 billion sucres during the 1972-1977 period. Of this amount, the state absorbed approximately 45 billion sucres. This flow of income has made the gross domestic product grow and distorted the essence of the country's development process.

ALFARISTS BACK GOVERNMENT ON TERRITORY DISPUTE WITH PERU

PA221703Y Quito voz de los Andes in Spanish 1230 GMT 22 Oct 78 PA

[Text] Edgar Molina Montalvo, coordinator of the Alfarist Radical Front [FRA] and former candidate for the presidency of the republic, has said that Foreign Minister Jose Ayala's statement that Ecuador will never desist from its territorial claim truly reflects the nation's feeling which unanimously condemns the 1942 violation of its historical right. At that time, with the complicity of a large number of American governments, a great infamy was committed by resorting to force above history in the Rio de Janeiro Protocol. The FRA categorically supports the foreign minister's declaration and expresses the party's satisfaction over the absolute coincidence between the minister's legitimate position and the party's longstanding foreign policy program. The FRA pledges its civic efforts for the defense of our secular territorial rights as a nation until such a time as an international legal means is found to settle this pending claim peacefully, as it threatens peace in the Americas.

SUPREME ELECTORAL TRIBUNAL ISSUES DECISIONS

PA201530Y Quito Cadena del Triunfo in Spanish 1255 GMT 20 Oct 78 PA

[Excerpt] Two historic decisions reached in less than 24 hours by the Supreme Electoral Tribunal have had favorable repercussions on the Ecuadorean political scene. The electoral organization decided to again count the Cotopaxi votes, setting aside their previous annulment. It also decided to cancel the so-called instructions for the definite vote counts of the presidential elections. These instructions had led to a large number of poll annulments in important sectors. In its resolution the Supreme Electoral Tribunal recognizes that the instructions had become a serious problem.

VOLUNTEER BRIGADE REPORTED IN COSTA RICA

PA221739Y Panama City LA ESTRELLA DE PANAMA in Spanish 22 Oct 78 p 34 PA

[Text] David--Panamanian volunteers are already in Costa Rica. They have received intensive training in the use of 10 or 12 weapons, jungle survival and politics. Milciades A. Ortiz, Jr, who was one of the political instructors, is in touch with local news circles in this city.

A rigorous selection of volunteers had been carried out based on age, physical condition, principles and ideals, keeping in mind that in one way or another they represent Panama. From the 320 who met at Don Bosco church, three purges or selections were made and the group left for an island believed to be near Veraguas. They slept outdoors, suffered exposure to rain and sun and had little food. They went to David at night and there separated, snaved and crossed the border as tourists.

Political orientation did not cover extremist ideologies but, with profound Latin American conviction, did embrace the lives and actions of hero Cesar Augusto Sandino and Simon Bolivar since it was felt that political divisions have no place in the struggle for the ideals of justice and democracy.

The volunteers intend to join Sandinist groups. The Panamanians are aware of the danger entailed in the struggle. They have sufficient arms to enter into action and will have their own communication channels with Panama. Ortiz, a sociologist, will remain in our country to carry out this work. He is director of the "Conciencia" radio news program which is transmitted by Radio Hogar.

NATIONAL GUARD PROMOTES FLORES TO COLONEL

PA210138Y Panama City Circuito RPC Television in Spanish 2300 GMT 20 Oct 78 PA

[Text] The Panamanian National Guard reported today that, in agreement with the executive branch, a decree was issued promoting Lt Col Florencio Flores Aguilar to the rank of full colonel. In this fashion Colonel Flores becomes the highest-ranking National Guardsman after Gen Omar Torrijos Herrera. Col Florencio Flores also keeps his present post of Chief of the General Staff.

TEACHERS OUTLINE POSITION IN CONFLICT WITH GOVERNMENT

PA210259Y Panama City LA ESTRELLA DE PANAMA in Spanish 20 Oct 78 pp 1, 26 PA

[Excerpt] The strike will continue, with grades being withheld until the national government changes its position regarding our demands, said Professor Julio C. Ortiz, secretary general of the Association of Professors of the Republic of Panama. The professor was commenting on statements made by high-ranking government officials yesterday afternoon to the effect that only a $40 increase can be offered to the teachers.

Ortiz added: Our strike constitutes a rejection of the national government's offer. If we are to be plagued by hunger, we will only return to the schools when the people deem it advisable. Only the people can make us return, not the government with its inhumane, anti-education measures.

Our aspirations, Ortiz said, open the way for true education, which in the last 10 years has been characterized by violations of the organic education law, a law that has been defended with much sacrifice by the honest teachers who preceded us. This generation of teachers will not be forced to step back by a National Guard detachment in front of our school (Republica de Venezuela).

A source linked to the Association of Progessors and the Independent Teachers Movement has reported that yesterday afternoon the chief of security of the Education Ministry called the two organizations to tell them that he had been informed that there were bombs and weapons inside the Republica de Venezuela School. This was immediately denied by spokesmen of the two teachers' organizations.

At approximately 1530 yesterday a National Guard detachment arrived at the school grounds--to the astonishment of the teachers who were on the premises. For unknown reasons the guardsmen withdrew, leaving behind only some patrol cars and motorized units. The teachers have maintained a peaceful posture while waiting for the government to reconsider its response to their demands which involve not only a wage increase, but also other requests designed to enhance the dignity of the Panamanian teacher.

Finally, the Association of Professors and the Movement of Independent Teachers issued a communique which follows:

To the citizenry: Panama's educational needs have been expanding in the last 5 years in the form of sacrifices demanded of the teacher who, aware of his role as a forger instilled with a high degree of civic pride, has had to contribute his quota to the austerity, sacrifice and frugality which the state has requested of its citizens. This quota of sacrifice and dedication represented savings of over $58 million for the national budget, a figure which the Ministry of Education now describes as unattainable.

How was this accomplished? By stoically attending to our students who are unmercifully crowded into our classrooms to save the Ministry of Education:

A. $3.6 million for the construction of classrooms;
B. $8.3 million for new positions and for the appointment of professors and teachers to take care of the students;
C. $312,000 in unpaid professional services for summer courses and make-up classes;
D. $1.8 million in working material, equipment, laboratories and classroom furnishings;
E. $2.6 million for work "on credit" which the teacher gives to the Education Ministry while in insecure temporary positions;
F. $9.9 million in physical and mental wear and tear on the educator who works for over 25 years, which is the period of maximum strain.

In 5 years, ever since the enactment of the injurious Law 22, the Panamanian educator has saved the Ministry of Education the sum of $131,312,000, which the Education Ministry has forgotten and which reflects the sacrifice of:

1. Better attention to the needs of our students in classrooms, furnishings, equipment, laboratories and security;
2. Positive learning conditions for the integral development of our youth;
3. More personal attention to students in the interest of an effective integral training of our youth;
4. Possibilities for development in all other areas of national growth: health, labor, housing, and so forth.

For a progressive education which reflects our true economic, social and political reality, we demand justice!

[Signed] The Authentic Independent Teachers Movement and Association of Professors of the Republic of Panama.

SANITATION WORKERS STRIKE FOR HIGHER WAGES

PA190241Y Panama City Televisora Nacional in Spanish 2315 GMT 18 Oct 78 PA

[Text] Workers of the Sanitation Department of the IDAAN [National Water and Sanitation Institute] have declared a strike and demanded a wage increase of $50 each in addition to the increase which General Torrijos promised for next January. On this matter, Jose Fierro, the new head of the IDAAN, made the following statements to Televisora Nacional this afternoon:

[Begin recording] [Question] A strike was declared this morning by sanitation sectors in the capital and in Colon demanding wage increases. We would like you to explain to us, in your capacity as supervisor of this sector, the official IDAAN position.

[Answer] The official IDAAN position regarding the demands of the employees of the Sanitation Department must momentarily wait until the executive branch, through the president of the republic, explains tomorrow what the wage policy for government employees is to be. You must realize that we cannot take isolated action in this case. Any wage policy implemented with regard to the Sanitation Department will have to fall within the guidelines provided by the national government. That is our position.

[Question] At the consumer level what guarantee exists that there will be an attempt to handle this problem in such a way as to avoid a crisis?

[Answer] We believe that there is still a possibility of negotiating with the Sanitation Department employees once the government has set its policy. I have faith and hope that we can seek a solution to the problem. This is basically our position. We feel that a solution can be sought in such a way as to prevent the community from being adversely affected by a lack of service. [end recording]

Strike Continues

PA211430Y Panama City STAR AND HERALD in English 21 Oct 78 pp 1, 9 PA

[Text] Panama and Colon garbage collectors, said to number around 1,556, will continue to strike, despise an increase of B/30 per month raise offered by the government, effective Jan. 1, 1979.

The strike, which got underway Tuesday to demand a B/50 monthly raise immediately, has resulted in garbage now being visible in all streets, in some cases decomposed and foul-smelling, particularly around the various market areas.

Representatives for the striking collectors met yesterday for more than two hours with new Aqueduct and Sewers Institute (IDAAN) Director Jose Fierro and head of the IDAAN garbage department Huberto Reynolds, but failed to reach a satisfactory accord.

During the meeting the strikers dropped their original demands for a B/50 monthly raise to B/25, but effective immediately and wholly independent from the B/30 raise to forthcome [as published] in January. The government officials reportedly said they could not meet the strikers' demands, because the budget would not permit it.

A spokesman for the group said later that the collectors will remain on strike until salary adjustments are made. "We work 365 days a year, no days off for holidays," he said in justifying their demands.

'CRITICA' COMMENTS ON 'FRAGILITY' OF PRESIDENCY

PA201849Y Panama City CRITICA in Spanish 20 Oct 78 p 4 PA

["Bona Fide" column by Camilo O. Perez: "The Presidency's Fragility"]

[Text] We have noted that it will be difficult for President Royo to solve the problems that loom ahead. There is a certain synchronization in the coincidence of these problems--fire is put out in one place only to start up somewhere else. Anyone could go crazy that way.

We say this because we have heard that there will be more strikes and demands. Each sector will express its desires and schedule of minimum demands. Royo's rise to power is still a controversial topic here because on one hand the traditionalists are unhappy since they wanted direct presidential elections, while the new trend--which includes the same people who now propose an official party--considers that the best solution was the indirect election of the president by the Assembly of Corregimiento Representatives.

We have though about this matter. The fundamental thing is to maintain a system which makes it very difficult to overthrow the president if he displeases some politically ambitious sectors who are fiercely struggling for political control. We do not think the present system provides stability. We feel that if the president does not satisfy all the demands of the assembly, it will be enough for one proposal by a corregimiento representative to revoke what the plenum decided, putting the president in a tight spot.

In other words, in Panama's case the president is in the hands of popular power and requires its constant acceptance. The president's 6-year term is a myth since at any moment it can be cut short if the majority of the assembly so decides. This is the same as saying that the duration of the president in office will always depend on the will of the representatives. They should be aware of the truth of this power and keep an eye on the presidential actions. In this way he becomes the chief executive of the parliament that elected him rather than of the people. Consequently, any future decision in favor of direct election or leaving things as they are constitutes a motive of concern for students--not of constitutional law--but of politics itself, the art of governing and staying in power.

For Royo to stay in power and solidify his position he will have to watch closely over the maneuvers of the corregimiento representatives who, with the passing of time, will become more aggressive and transform the character of what has been called the Panamanian process.

GOVERNMENT AND JUSTICE MINISTER ADDRESSES DEVELOPMENT GROUP

PA201942Y Panama City Circuito RPC Television in Spanish 1800 GMT 20 Oct 78 PA

[Text] Panamanian Government and Justice Minister Adolfo Ahumada has told officers and directors of the General Directorate for Community Development [Digedecom] that Digedecom is an organization designed to deepen and strengthen the revolutionary process. From its beginning it has served as an effective agent for change at all popular sector levels.

The minister added that the revolutionary process led by General Torrijos is a social phenomenon that has the participation of all sectors. The main objective of this process is the struggle for the people's liberation and social demands. Democracy is not the mere existence of political parties or the separation of powers, it is popular participation; that is, the participation of the great mass which constitutes the strength and power of the state. He quickly reviewed the country's political, social and economic situation and thanked Digedecom officials and directors for the support they are giving the government.

COSTA RICA

VETO OF U.S. LEGISLATION ON BEEF QUOTAS WILL BE SOUGHT

PA201415Y San Jose Radio Peloj in Spanish 1200 GMT 20 Oct 78 PA

[Text] In the next few days President Carazo will ask his American colleague Jimmy Carter to veto the law limiting beef quotas to Latin American countries. The council of government agreed to the step during last night's session after learning about the U.S. Congress' approval of a law to that effect. The government feels that thir measure severely affects our country. Therefore, it will ask Carter to veto the law.

GUATEMALA

UNIVERSITY STUDENT ORGANIZATION LEADER MURDERED

PA210215Y Panama City ACAN in Spanish 2107 GMT 20 Oct 78 PA

[Excerpts] Guatemala City, 20 Oct (ACAN-EFE)--Oliverio Castanedas, secretary general of the University Students Association of Guatemala (AEU), was murdered today by unknown individuals who machinegunned him in the center of the city. Castanedas was one of 40 Guatemalans who have been condemned to death by the clandestine Secret Anticommunist Army. The organization made the list public this week when it announced its decision to fight communism in Guatemala.

NICARAGUA

SOMOZA ACCUSES FOREIGN GOVERNMENTS OF ARMING OPPONENTS

PA201256Y Buenos Aires LATIN in Spanish 0554 GMT 20 Oct 78 PA

[By Agustin Fuentes]

[Text] Managua, 19 Oct (LATIN)--President Anastasio Somoza today accused several governments of providing arms to those who seek to overthrow him. He said that the opposition's demands that he relinquish power are absurd. At a press conference with foreign correspondents the president said in a very firm tone: "It is well known who provided the weapons used by the subversives. They have also given them money and moral support to subvert order in Nicaragua." The conference was held on a terrace overlooking the Pacific Ocean during a torrential rain. There was an electrical storm at the same time and both the president and newsmen were splattered with rain.

Asked to name the governments involved, Somoza said: "I do not need to say that Venezuela gave a rifle when the president of Venezuela has given more than one rifle. It has attacked Nicaragua's sovereignty. It has attacked the president of Nicaragua politically and personally, and that is worse than giving a rifle."

When a correspondent referred to reports of a brigade composed of former Panamanian National Guard members ready to invade Nicaragua, Somoza said: "I condemn those governments who continue to pour on gasoline to set Managua afire." He said that there will be peace in Nicaragua only if Venezuela, Panama and Costa Rica respect the OAS resolution on ending those activities. He said that the Soviet Union is "involved in all of this" and that Cuba is responsible for these events. "They took us by surprise, caught us with our guard down, but now we are preparing to defend ourselves.

I already said that we are going to enlarge the National Guard by 7,000 men, and I can report that in only 1 month we have already enlisted close to 2,000 men," he said. Asked where he will get the money, he answered: "from taxes. I already said that the wealthy who encouraged those activities are going to pay for them, not the people who suffer the consequences of the unrest."

Somoza reiterated that he will not abandon power until 1981 since he cannot "negotiate or compromise with the mandate that the people gave me in the 1974 elections when they elected me for this term." He said that the demands of the Broad Opposition Front (FAO) are absurd since "they are asking that Somoza leave and that he leave now." "This is the limit. If I resign, then the following day I would put up a 'caramanchel' (a campaign office) and would proclaim: 'Somoza in 1981.' And then I would be free to be a candidate for the next term," he said with some irony.

While rain continued falling on his back and his aides were restless and hinted the questioning should conclude, Somoza went on: "The FAO does not have the strength to make me resign. I would never allow that to happen, because it is my duty to defend the country's consitution and the interests of the Nicaraguan people."

He reported that the diplomatic "friendly cooperation" mission consisting of delegates from the United States, the Dominican Republic and Guatemala which has been here for 2 weeks has not informed him of any opposition demand for him to leave power. "Such demands have been published in the country and abroad only for propaganda purposes because they are illogical. They think that I am defeated, but that is not true," he stressed.

Asked whether there will be tranquillity in Nicaragua if the diplomatic "cooperation" mission fails, he answered: "Yes, there will be if there is no interference from other countries in Nicaragua's affairs." He also noted that he is certain that there will be tranquillity for harvesting coffee and cotton as of November, both harvests being vital to Nicaragua's deteriorated economy. "The government is capable, has enough strength to give the necessary assurances," he said.

"I cannot be thrown out by mere words; it must be done through a vote. If they have popular strength, why do they not run for office?" he asked. "With those intransigent attitudes, the opposition is losing its real opportunity to secure an electoral law that is acceptable to all and which sets forth the mechanisms, controls for the new president to be the faithful outcome of the popular will," he remarked.

Asked how far U.S. pressure could go, he said: "I do not think it can go any further than the pressure it has exerted with human rights. But they have no right to tell me that in order to make me resign."

"The FAO is asking that I step down and that I do it now. I will leave, I repeat, but in 1981, not before." "How about cutting back your term? He was asked. I already told you," he answered. "I have to fulfill the constitutional mandate."

Asked what he would tell U.S. President Jimmy Carter if they met, he replied: "I would explain the situation to him so that he would understand that he would not like what he wants to do me to be done to him." He admitted having told a NEWSWEEK reporter who had harassed him with questions about what he would do if the United States tried to overthrow him: "Well, let them come here and throw me out."

He said that he already has "in mind" several members of his party as possible candidates for the 1981 elections but that this depends on the ruling Liberal Party, of which he is the top leader.

Regarding the statement by the Colombian foreign minister that the report of the OAS commission on human rights will be "explosive" and will serve as a basis to request sanctions against his government at both the OAS and the United Nations, Somoza said: "That is not consistent with the regulations of the Inter-American Commission on Human Rights, because it must first report to the Nicaraguan Government."

Regarding the Costa Rican Government, Somoza said that he hopes it will stop allowing the organization of "guerrillas who invade Nicaraguan territory." "The minute a guerrilla crosses the border from Costa Rica, we will formally lodge charges against that government at the OAS," he said. At the end of the interview he said once more without elaborating: "You can rest assured that we are not alone."

PLN OFFERS UNDONDITIONAL DIALOG WITH OPPOSITION

PA201236Y Paris AFP in Spanish 0025 GMT 20 Oct 78 PA

[By Horacio Ruiz]

[Excerpt] Managua, 19 Oct (AFP)--The government's Nationalist Liberal Party [PLN] today proposed to the Nicaraguan political opposition a dialog without preconditions to search for a solution to the crisis which the country is experiencing. PLN spokesman Luis Pallais offered as the only concession that he could promise a return to normal of individual guarantees enjoyed before 30 April 1979. These guarantees, except the freedom of the press, are now suspended by presidential decree. This was the first reply by the government party to demands made by the Broad Opposition Front to the commission of mediators from the United States, Dominican Republic and Guatemala who have been in the country for 3 weeks. Pallais said that in a meeting between the government party and the opposition they could discuss "everything that is within the constitution." He did not explain whether this could include a legal withdrawal from power by President Somoza before the end of his presidential term in May 1981.

In the last few days, experts have amply discussed a possible constitutional solution that might permit President Somoza to relinquish power without disrupting the legal order. Opinions are divided on the subject. Pallais, who is a cousin of President Somoza, also suggested that the government-opposition dialog, which could be initiated without preconditions, could result in a guarantee backed by the three mediating countries to hold elections in Nicaragua "closely supervised" by the OAS, in 1981.

ERNESTO CARDENAL DENIES DIVISION IN SANDINIST FRONT

PA201938Y San Jose Radio Reloj in Spanish 1730 GMT 20 Oct 78 PA

[Interview with Nicaraguan priest Ernesto Cardenal, Sandinist Front leader--date and place not given]

[Excerpts] [Question] What do you think the possibilities are of a political solution to the situation in your country?

[Answer] The only solution is that of a provisional government, as has already been designated, with a triumvirate. If that is not achieved, the struggle and fighting will continue. The Sandinist Front offensives will continue. Each has always been greater than the one before. The new offensive will surely be greater than the last one. I would like to take advantage of this opportunity to tell you that Radio Estacion X of Nicaragua has been broadcasting the false report that there is a new faction within the Sandinist Front. That is absolutely false. There has been no division or any new type of faction. On the contrary, all of the Sandinists have united in the country. In the last battles they all fought together.

The members of the various factions who died did so together. So, instead of there being a division as the official Nicaraguan radio reports, there is greater unity of all the Sandinists and the Nicaraguan people.

SANDINIST SAYS FSLN PREPARING FOR OFFENSIVE

FL210022Y Havana Domestic Service in Spanish 0000 GMT 21 Oct 78 FL

[Text] The Nicaraguan Sandinist National Liberation Front is preparing for a definitive offensive against dictator Anastasio Somoza, (Constantino Tapia) declared in Mexico City today. (Tapia) is one of the 50 Nicaraguans who arrived in the Mexican capital yesterday as exiles. Others in the group said that a new general strike will start soon in Nicaragua and asserted that the strike will undermine even more the staggering regime of Anastiasio Somoza. According to AFP, they concurred in pointing out that the principal Nicaraguan cities are devastated and this has caused a massive exodus of their residents. They added that there are food shortages in Masaya, Esteli, Monimbo and Managua, the capital city.

After announcing that the Somoza army is receiving modern weapons of U.S. manufacture to fight the Sandinists, the group of exiles emphasized that the fight against Somozaism is to the death and that the patriots will attain the final victory because they have the support of most of the people.

MANAGUA RADIO SPURNS DEMANDS BY OPPOSITION FRONT

PA222128Y Managua Domestic Service in Spanish 1255 GMT 22 Oct 78 PA

[Unattributed commentary]

[Text] The political extremists active in the Broad Opposition Front [FAO] have gone so far as to make audacious demands on the Nicaraguan president in a [word indistinct] as if they had been successful in the strike and the revolt they sponsored.

The FAO members have managed to conduct subversive actions in Nicaragua which the government has been able to suppress with its seal of authority. The members of the organized aggressive front [frente organizado opositor] have not performed any positive action of which they could feel proud. As is known--and this must be said firmly and truthfully--they have made no contribution to solving the Nicaraguan people's problems. On the contrary, they are responsible for actions harmful to the interests of the people in general, who have always been indifferent to their subversive activities. For this reason, their actions have not been successful and have not received the support of the nation's conscience because the source of all public power is the [word indistinct] and it is not pleased with the FAO actions. FAO's demands are so fanciful that they really do not merit the attention of the present government.

For his part, President Anastasio Somoza has told foreign correspondents that he exercises power throughout the nation with calmness and the citizens' support as well as with the support of all state institutions and all branches of the government.

As far as the gentlemen of the FAO are concerned, the Nicaraguan people have already become accustomed to hearing and reading about their spectacular shows. The citizens know that the FAO's fellow travelers are certain manufacturers, who are not in the majority. The Nicaraguan people also know that some other members of the FAO are well known and oldtime militants of political organizations following Marxist-Leninist doctrine.

Nicaragua has had a bitter experience with the subversive events of September, which left a toll of sorrow, grief and death among our citizens. The FAO carried out these actions under instructions from Havana to sow terror among Nicaraguans and implement the (?plan) devised by Castroite terrorism. In some of the FAO's demands we find that they adopt the posture and manner of speech of conquerors, as if they had defeated the constitutional government. It is the government which continues maintaining peace with the support of the national army, which has the emblem of the unvanquished because it defeated the national and international conspiracy which resorted to every possible means to control the nation. They did not succeed because of the firm determination of the National Guard, which struggled for the constitutional rights currently represented by Gen Anastasio Somoza Debayle, legal and constitutional president of the republic.

The FAO's assertions show that these volatile politicians of recent vintage are carrying out and exploiting truly spectacular attitudes, which are a genuine display of good acting. FAO members are true actors when it comes to making preposterous demands to the liberal government and to a liberal ruler who has the seal of legality granted to him by the present constitution. They are a group of ambitious and spiteful persons determined to adopt postures that are actually ridiculous and legally groundless against Nicaraguan President Gen Anastasio Somoza. Somoza is an obstacle to the pretensions of the Castroite terrorist groups operating in the country under instructions from Havana and Moscow.

Meanwhile, President Somoza has told FAO members very clearly that if the opposition represents the majority of the national electorate they will have a great opportunity to prove it during the elections for the highest elective posts in 1981. However, in conclusion, we want to say very clearly that Somoza's challenge has made them desperate and filled them with anxiety because this is the harshest test that the FAO will have to face. This is the truth behind Nicaragua's political problem. The opposition wants power without earning the right to it.

MANO BLANCA THREATENS NICARAGUAN, COSTA RICAN RADIO OPERATORS

PA210420Y San Jose Radio Reloj in Spanish 0350 GMT 21 Oct 78 PA

[Text] At this time the Nicaraguan White Hand organization is using amateur radio bands to warn amateur radio operators in Nicaragua against talking to Costa Ricans on those bands. In addition, they are also threatening Costa Ricans, saying that if they continue to bother the Nicaraguan Government, Costa Ricans will be bombed. In other words the White Hand is threatening Nicaraguan ham radio operators and also Costa Ricans because of what they describe as intervention by Costa Rica in Nicaragua's conflict.

We repeat that the White Hand is using ham radio frequency to warn Nicaraguan radio operators against communicating with Costa Ricans and is also warning Costa Ricans against interfering in matters concerning the Nicaraguan Government.

CENTRAL BANK PRESIDENT ACKNOWLEDGES DAMAGE TO ECONOMY

PA201242Y Buenos Aires LATIN in Spanish 1940 GMT 19 Oct 78 PA

[By Agustin Fuentes]

[Text] Managua, 19 Oct (LATIN)--Nicaraguan Central Bank President Roberto Incer Barquero said today that the damage caused to the Nicaraguan economy by the violence unleashed during the past months is considerable. The bank official said that Nicaragua will have a negative growth of 3.5 percent this year, despite previous estimates of 4-percent growth, according to 1958 stable prices.

"The loss of international reserves, which resulted from the loss of resources caused by the capital drain, amounted to $100 million. Our present reserves are $20 million, with the probability of a $50 million increase in the next few days," he said. This $50 million reserve fund will be made up of $20 million fron the International Monetary Fung for compensatory financing plus the compensatory financing of the Central American central banks and some loans from private U.S. banks, he explained.

"We believe that we can juggle the balance of payments until 31 December if we also use $6 million or $7 million from the sale of beef and record coffee and cotton crops we shall have this year, until we obtain other financial aid," he added.

He said that the government is spending 400,000 cordobas ($57,000) daily to pay 20,000 low-income persons employed to clean lots, repair bridges and rebuild schools. This program will be continued until 15 November, when these workers will be needed to harvest coffee.

Regarding the loans requested by Nicaragua from the IMF, he said that on 15 September there was a pending Nicaraguan request for compensatory financing of $20 million. "There were maneuvers and political pressures from certain countries to postpone the decision indefinitely, but Third World countries and the great industrial countries decided that there was no legal basis for it and that it was not advisable to involve the IMF in politics," he said. "A compromise resolution was then reached, postponing the matter until IMF personnel could determine if the estimates had been affected by the September events," he added. "Now we are waiting for the compensatory credit to be placed on the 1 November agenda. By the end of November an IMF mission will come to Nicaragua to establish a stabilization program with the government in order to grant a $20 million standby credit which we have also requested," he explained. Incer explained that certain goals had to be met for the approval of the standby credit. These included the limitation of public spending, an increase of fiscal revenue and a limitation of credits by the Central Bank to the government. "In order to achieve these goals the government is drafting bills to improve tax collection. One of these bills stipulates that in order to obtain financing by the banks a tax payment certificate will be required. This certificate will have to be presented by importers every 3 months so that their commercial permits can be renewed," he said.

President Anastasio Somoza has also determined that 1979 will be a year of strict financial balance, emphasizing economic growth, decreased spending and austerity in the spending of foreign currencies, he said. Another measure, he said, will allow interest rates to float according to the availability of resources. "We believe that these measures will lead the country to prosperity in 12 to 18 months, if there is political peace. Without peace the situation will be difficult," he concluded.

CATHOLIC CHURCH CALLS FOR NEW SOCIOPOLITICAL ORDER

PA212002Y San Jose Radio Reloj in Spanish 1730 GMT 21 Oct 78 PA

[Text] Managua--The presbyterial council of this capital headed by Archbishop Miguel Obando y Bravo said today that Nicaragua is living under the sign of death and destruction as a result of injustice, violence and repression. The Managua presbyterial council's document it also supported by the Nicaraguan national religious confederation.

The document of the priests and religious figures expresses support for peaceful efforts that will lead to the new sociopolitical order which the Nicaraguan people are demanding. The Catholic Church calls for a new sociopolitical order in which men can develop as men, in which dignity will be respected, in which their legitimate aspirations will be satisfied, in which their access to truth is recognized, in which their personal freedom is guaranteed and in which they will not be objects but the masters of their own lives.

The Nicaraguan Catholic Church said that we support all peaceful actions that will lead to the new order which our people are demanding, as long as on behalf of peace, human dignity is not traded away, as long as evil is extirpated at its roots and as long as there is a firm and irrevocable desire for justice, peace, love and freedom.

The religious figures urged political leaders to find specific formulas to achieve that new order and to set aside all selfish attitudes, thus answering the people's demand. They expressed their fear that if this legitimate demand of the people is not answered soon, any solution that ignores the people's will with pacts or compromises that perpetuate the status quo might result in a new armed confrontation in Nicaragua.

The Nicaraguan Catholic Church document states that the popular reaction has been interpreted as being the result of foreign maneuvers based on foreign ideologies. However, its origin is nothing but the irresistible cry of a people who are aware of their situation and are seeking to break the molds which imprison them. It is the expression of the will of a people and their patriotic demand which legitimately seeks their historic self-determination, affirming their national identity in the face of constant and permanent foreign intervention. The Nicaraguan Catholic Church said today that the fatherland is living under the sign of death and destruction as a result of injustice, violence and repression. The signers of the document urged the faithful to achieve reconciliation and to avoid the temptation of falling into revenge and rancor.

TWO NEW REFUGEES ARRIVE AT COLOMBIAN EMBASSY

PA181341Y Bogota Cadena Radial Super in Spanish 1100 GMT 18 Oct 78 PA

[Text] Bogota--The Colombian Embassy in Nicaragua has received new requests for political asylum, the Foreign Ministry has revealed. According to a Foreign Ministry spokesman, two Nicaraguan citizens have taken refuge in our diplomatic mission in Managua in the last few hours. On Sunday, (?10) Nicaraguan refugees at the Colombian Embassy received safe-conducts from Somoza's government and traveled to San Andres Island.

REFUGEES IN ECUADOREAN EMBASSY LEAVE FOR HONDURAS

PA211917Y Quito Voz de los Andes in Spanish 1730 GMT 21 Oct 78 PA

[Text] Refugees at the Ecuadorean Embassy in Managua left Nicaragua yesterday for Honduras, the Foreign Ministry reported yesterday. Early this month the government granted diplomatic asylum at the Ecuadorean Embassy in Nicaragua to Mrs Yolanda Amaya de Amador, Carlos Molina and his wife, Mrs Carol Molina.

BRIEFS

GUATEMALAN OIL PROSPECTING CONTRACT--A third oil contract has been signed with Texaco and Amoco, which submitted a joint bid to explore (?area D) in El Peten Department. Company officials said work will begin in early 1979. It was reported that approximately 196,000 hectares are involved. [Guatemala City Domestic Service in Spanish 1230 GMT 19 Oct 78 PA]

HAVANA COMMENTARY CRITICIZES CHILE-PRC RELATIONS

FL210205Y Havana Domestic Television Service in Spanish 0100 GMT 21 Oct 78 FL

[Armando Lopez Junco commentary]

[Excerpts] The visit to China by Hernan Cubillos, foreign minister of the Chilean regime, is further proof of the anti-socialist path which the Peking leadership is following. It is also new evidence of the political and diplomatic isolation of General Pinochet and his followers in the military junta.

According to press reports, Cubillos and an entourage of four arrived in Peking on Tuesday for a 10-day visit to China, during which, according to sources of the fascist Chilean junta, expansion of relations between the two regimes would be discussed, primarily in the economic field. Trade between the Chilean military junta and the Peking government has tripled in the past 5 years, ever since Pinochet and his accomplices deposed and assassinated President Allende in September 1973.

Cubillos is the third person to become Chilean foreign minister since that date and the first civilian. Cubillos was manager of the (Transamerica of foreign trade) and other business firms until 19 April last, when he became chief of Chilean diplomacy for the expressed purpose of trying to break the isolation of the bloody tyranny. Two efforts in this sense have failed. The first one was an attempt at a dialog with the Mexican Government to change, according to an official report, the current status of relations. It was flatly rejected by Mexican legislators. A second effort was a declaration at the United Nations by Pinochet's Ambassador Sergio Diaz, asserting that the regime was in solidarity with the just cause of the Namibian people. This maneuver was exposed by the fact that only a few months earlier the junta refused to attend a UN conference in Mozambique aimed at supporting the liberation movements in the southern cone of Africa, including the South-West African People's Organization of Namibia. The third effort seems to be this visit to Peking with which, taking advantage of the anti-revolutionary trend of the group that holds power in the Asian country, the Chilean junta is trying to break the diplomatic isolation to which it has been subjected by the world's decent governments regardless of their political and ideological affiliation.

During his stay in Peking Cubillos has met his Peking counterpart, Huang Hua, whom he invited to visit Chile at a future date. For his part, Huang has invited Chilean Economy Minister Pablo Baraona to visit the Asian country.

It has been disclosed that Cubillos is the bearer of an invitation to Chinese Chairman Hua Kuo-feng to be the guest of Pinochet. It also has been learned that Pinochet would be invited to visit Peking at an opportune time.

So far, the Chilean regime's foreign minister has also met with Vice Premier Teng Hsiao-ping and has had with him a dialog described as cordial by Chilean and Chinese sources. Moreover, the representative of Chilean fascism has gone even further. He pleased his hosts by attacking the Soviet Union and Vietnam, attributing to these two countries alleged hegemonistic intentions and proclaiming none other than Peking as the one that is restraining these ambitions.

It is doubtful that this repulsive alliance between Maoists and Chilean fascists will yield the fruits they expect. An alliance with the Peking regime, although true that it would help to alleviate the tragic economic situation of Pinochet and his group with loans and purchases, would not help to break its political and diplomatic isolation.

Furthermore, for Peking, such an alliance--after the failure of its Angolan adventure on the side of African racists, its attacks on Vietnam, its complicity with the North American imperialists and their NATO allies, and other actions of this sort--would only contribute to undermine even more, if that were possible, the prestige of the Maoist rulers.

COMMISSION TAKES CHARGE OF RELEASED PRISONERS

PA220222Y Havana International Service in Spanish 0000 GMT 22 Oct 78 PA

[Text] A six-member commission representing the Cuban community in the United States has met in Havana with a group of prisoners guilty of crimes against state security. During the meeting held in the eastern Havana jail, the only prison in western Cuba, Miami Banker Bernardo Benes, who heads the commission, told the prisoners that he will suggest an agenda for the dialog proposed by President of the Cuban Council of State Fidel Castro to the Cuban community abroad. Benes said the document refers to the matter of the prisoners and the reunification of families either in the United States or in Cuba and, by agreement of the prisoners, was presented to (Yamin Curie) Perez, who has served a 13-year sentence.

The commission arrived in Havana to accompany the first 46 imprisoned persons freed on parole, whom the Cuban Government will permit to leave the country. This gesture expresses the Cuban Government's willingness to seriously undertake and discuss problems concerning the Cuban community abroad. Benes added that Antonio Cuesta, one of the 46 prisoners who will travel to Miami this Saturday, will carry letters from prisoners to the Cuban community in the United States. In addition to Benes, the commission is composed of Roberto Maduro, Rafael Huguet, Orlando Padron, Father Guillermo Arias and Reinold Gonzalez, who spent more than 16 years in prison for a crime against the security of the Cuban state.

Further Report

PA221916Y Havana International Service in Spanish 1800 GMT 22 Oct 78 PA

[Text] Forty-six persons who were in prison or had conditional liberty because of crimes against the Cuban state, whom our government permitted to leave the country, arrived in the U.S. city of Miami with a group of relatives and a six-member commission representing the Cuban community in the United States who had come to Cuba.

Before leaving the Cuban capital the members of this commission met with Fidel Castro, president of the Cuban Councils of State and Ministers, who repeated his proposal for a dialog on different questions at present affecting the Cuban community abroad. Fidel Castro said that these problems will never be discussed with the U.S. Government because they are matters pertaining to national sovereignty and dignity which should be discussed with the Cuban community abroad.

During their stay in Cuba the members of the commission met with a group of prisoners condemned for crimes against the security of the state at the prison in east Havana, the only one existing in western Cuba.

Miami banker Bernardo Benes, who heads the delegation, told the prisoners that he would propose a tentative agenda based on the proposal for talks made by the Cuban Council of State president to the Cuban community abroad. Other members of the commission were sports leader Roberto Maduro, industrialist Orlando Padron, architect Rafael Huguet, former counterrevolutionary prisoner Reinold Gonzalez and Father Guillermo Arias.

Meeting With Castro

PA222020Y Paris AFP in Spanish 1252 GMT 22 Oct 78 PA

[Text] Havana, 22 Oct (AFP)--Cuban President Fidel Castro spoke at length on Saturday in an atmosphere described as "extremely cordial" with six of his political enemies who live in Miami. These six persons arrived in Cuba as "representatives of the Cuban community abroad" to accompany on their return to the United States a group of prisoners recently freed by Castro "in a gesture of good will."

The exile commission was led by Bernardo Benes, coproprietor of a large bank with Cuban capital in the United States, and included, among others, Rafael Huguet, a founder of "Alpha 66," an anti-Castro group. Other members were Cuban Jesuit priest Guillermo Arias and Bobby Maduro, owner of the former "Cuban Sugar Kings" baseball team. The others were industrialist Orlando Padron, who competes against Cuban cigars with his cigars made in Miami and Central America, and Reinold Gonzalez, an anti-Castroite who was released from prison last November after 16 years, at the urging of Colombian novelist Gabriel Garcia Marquez.

Castro, who after the discussion chatted with a small group of newsmen, exchanged cordial and even friendly jokes with the six representatives of the opposition who emigrated.

This has so far been the most outstanding meeting in the new atmosphere created between Castroism and its opposition following an invitation extended by Castro a month and a half ago to the exiles to start talks. These talks, which President Castro hopes "will produce results before the end of the year, "seemed closer after the opposition commission came up with a "preliminary agenda," to which the Cuban leader said he had "no objections in principle." The subjects of discussion between the government and the opposition abroad were limited by Castro to three: liberation of political prisoners, family reunification and the right of Cubans living in the United States to visit the country of their birth. "No political subjects will be discussed," said Castro.

This limitation has apparently been accepted by most of the opposition, according to reports from different sectors, including prisoners and former political prisoners.

"For a long time now there has been no war against us, although there do exist some terrorist groups which we do not fear," said the Cuban president, adding that "after 20 years of revolution, it [the revolution] is fully consolidated." He then hinted that even some old members of the Batista regime--overthrown in 1959--who have prison sentences ranging up to 1 century, may be benefitted by pardons, if the dialog with exiles is successful.

Inter-Cuban pacification may contribute to the improvement of the atmosphere between Washington and Havana, although U.S. complaints against Cuba include subjects which Cuba will never discuss, such as the support for the revolutionary regimes of Africa.

1979 PARTICIPATION IN SOVIET SPACE FLIGHT ANNOUNCED

FL202328Y Havana Domestic Service in Spanish 2230 GMT 20 Oct 78 FL

[Text] United Nations--Cuba today announced that in 1979 it will become the first country in Latin America and the developing world to put into space a crew member on a joint flight with the Soviet Union. The announcement was emphasized by delegate (Luis Solas Vila), in a speech during debates of the UN General Assembly's special political committee on the use of outer space for peaceful purposes.

The development of space technology in all its aspects must be an instrument of international cooperation to help, in a concrete and effective manner, the developing countries to develop their economy, culture and society, the Cuban representative said. He said that thanks to the inter-Cosmos program, which includes nine socialist countries, Cuba--an underdeveloped, nonalined and socialist state--can participate under equal conditions in the study of extraterretrial space and is doing so now in the fields of space meteorology, biology, physics and communications.

Regarding the problem of observation of earth by the use of satellites, (Solas Vila) said that every nation that is the object of such observation should have free access, whenever it wishes, to the information obtained on its territory. On the other hand, he emphasized, we do not believe that it is correct for a third country, without the consent of the state being observed, to obtain data without the latter's authorization.

CEMA LIGHT INDUSTRY MEETING ENDS IN HAVANA

FL201857Y Havana Domestic Service in Spanish 1832 GMT 20 Oct 78 FL

[Text] The 31st meeting of the CEMA standing commission for light industry has concluded after 5 days of working sessions in Havana. The meeting was held at the Atlantico Hotel in Santa Maria del Mar.

The topics discussed at the meeting include those concerned with the improvement of CEMA work organizations at the standing commission and international multilateral specialization and cooperation in the production of light industry goods. A total of 10 countries participated in the meeting which was chaired by Josef Skopal, chairman of the CEMA standing commission and deputy minister of the government Presidium of the Czechoslovak Socialist Republic. The Cuban delegation was headed by Light Industry Minister Nora Frometa. The Socialist Republic of Vietnam attended the meeting for the first time.

TRADE DELEGATION ENDS VISIT TO INDIA; AGREEMENT SIGNED

FL202123Y Havana Domestic Service in Spanish 2050 GMT 20 Oct 78 FL

[Text] A Cuban trade delegation today ended its official 1-week visit to India following a round of talks with local authorities, which were termed useful. The Cuban mission, headed by Amado Blanco, director of trade policy for Asia and Africa of the Cuban Foreign Trade Ministry, and its Indian colleagues last night signed a document providing for an increase in trade. According to New Delhi reports, Cuba and India have agreed on increasing their bilateral trade. A Cuban delegation spokesman said Cuba will increase its exports of nickel and other products to India, and that the two sides could work jointly with third parties.

GENERAL GARCIA PELAEZ PRESIDES OVER EQUIPMENT DELIVERY

FL211805Y Havana Domestic Service in Spanish 1145 GMT 21 Oct 78 FL

[Excerpts] Div Gen Pedro Garcia Pelaez, member of the PCC Central Committee and chief of the Western Army and the Great Havana garrison, has presided at the ceremony held to deliver equipment to a military patrol company. The closing remarks of the event were made by Col Fernando Novo, deputy chief of the Western Army for equipment.

As part of the event, there was a military ceremony during which First Lt Enrique Garcia Portillo read the pledge of honor. In his speech Colonel Novo said that the equipment delivered will raise the operational level of the garrison, which undoubtedly will result in high combat preparedness of the units. He explained that this equipment is of high quality and requires continued and systematic study for its correct use, which in turn will make it possible for military patrols to fulfill their duties with greater effectiveness. He stressed that the equipment's characteristics place them at the highest level of quality among those of their type in the country, which is why they should be given proper use. It is up to you, he stressed, to make the best use of, maintain and care for the new technical equipment and, above all, to use it correctly. He noted that the missions of the military patrol company are of great importance for the fulfillment of garrison service.

In closing, Col Fernando Novo stated: [begin recording] Today we have delivered to you modern and efficient equipment, which will raise the level of discipline and organization of the Revolutionary Armed Forces. We urge you to fulfill your duty honorably as worthy followers of our revolutionary and combat traditions. You must remember that by honorably and strictly fulfilling your missions, you are abiding by the resolutions of the first PCC Congress. [end recording]

SOVIET DEPUTY CONSUL GENERAL TOURS GRANMA PROVINCE

FL201443Y Havana Domestic Service in Spanish 1404 GMT 20 Oct 78 FL

[Text] (Aleksandr Ablasov), deputy consul general of the USSR in the eastern provinces, has toured economic and historical sites in Granma [Province]. (Ablasov) laid a floral wreath at the statue of Carlos Manuel de Cespedes in the Park of the Revolution in Bayamo [city]. The Cuban and Soviet anthems were played there. The Soviet official also spoke with workers of the Veguitas tuber enterprise in Yara municipality, who briefed him on achievements made in the area since the triumph of the revolution. At the end of his tour (Ablasov) met with members of the Granma Province directorate of the Union of Young Communists (UJC), who briefed him on activities carried out by the UJC in honor of the 60th anniversary of the establishment of the USSR Union of Young Communists, KOMSOMOL.

USSR DEPUTY MINISTER VISITS CASA DE LAS AMERICAS

FL212145Y Havana Domestic Television Service in Spanish 1800 GMT 21 Oct 78 FL

[Text] Haydee Santamaria, director of the Casa de las Americas, member of the PCC Central Committee and Council of State, has met with USSR First Deputy Culture Minister Yuriy Barabash during his visit to the Casa de las Americas. Accompanying the USSR deputy minister were (Melenia Khastoskaya), director of the arts scientific research institute. Participating in the fraternal meeting were Mariano Rodriguez, assistant director of the Casa de las Americas; Roberto Fernandez Retamar, director of the magazine CASA; Manuel Galich, Mario Mireti and other officials of the cultural center.

FOREIGN TRADE MINISTER MEETS WITH STANKO TODOROV

FL212120Y Havana Domestic Service in Spanish 1100 GMT 21 Oct 78 FL

[Text] Stanko Todorov, chairman of the Bulgarian Council of Ministers, has met with Cuban Foreign Trade Minister Marcelo Fernandez Font. During the talks matters dealing with the negotiations aimed at broadening trade and the process of specialization and cooperation between the two countries were discussed.

JAMAICA

SEAGA FAULTS U.S. FOREIGN POLICY IN CARIBBEAN

FL201540Y Kingston DAILY GLEANER in English 18 Oct 78 pp 1, 13 FL

[Text] Opposition leader Edward Seaga yesterday criticized the United States' foreign policy in the Caribbean as being "a tangle of policies reinforced by certain confusing, contradictory policies now taking place in Washington."

Addressing the monthly meeting of the American Women's Club at the Liguanea Golf Club, yesterday morning, Mr Seaga said there was apparent conflict in the protectionist attitude of the U.S. Congress and the attitude of the administration in regard to certain goods supplied to the American market from the Caribbean. He questioned America's failure to take a "less than strong stand" on human rights violations in Nicaragua by the Somoza regime; and he raised questions about the grouping of Latin America with the Caribbean for purposes of its foreign policy.

Speaking of U.S. policy on imports, Mr Seaga said that the American president had powers to waive counter-vailing duties "in respect of imports into the USA, where it was considered that such imports were being subsidized in the country of origin. Those powers now held by the president expired on January 5 and they may or may not be renewed by the Congress.

The opposition leader said that at the present time the Congress was against renewal of these powers which would force the president to impose those counter-vailing duties. "It would mean, in the case of the Caribbean, that textiles, clothing and footwear which we now export to the U.S.A., would be faced with paying higher tariffs to enter the U.S.A., and, therefore, would reduce the market for goods entering the U.S.A. from the Caribbean," Mr Seaga said. "So, on the one hand you have the Congress forcing action which is detrimental to the Caribbean, and on the other hand you have the administration taking action to keep the market open for the Caribbean."

He said that two days ago "we were told that the Congress had taken action to impose higher tariff on imported sugar and to impose import quotas--which is part of the protectionist policy of the Congress." In that instance the Congress had come to an agreement with the administration by way of a compromise on the exact import tariff and the import quotas which would be imposed. There was, therefore, no conflict.

Citing another instance of action affecting the Caribbean, the opposition leader said that only recently American farmers had to go to court to seek a ruling on their [right] to select Jamaican farm workers over Puerto Ricans who were being protected by the protectionist policies of the U.S. Government. Mr Seaga said that as one looked at the United States' policy on the Caribbean, one could not help observing "the conflict and confusion emanating from the same sources."

Turning to the question of the U.S. policy on human rights, the opposition leader said that there was conflict, and clearly it was this conflict which had "apparently led the U.S. Government to take a less than strong stand in dealing with the violations of human rights by the Somoza regime in Nicaragua, while maintaining a commitment to the principles of human rights. He said that this attitude was adopted by the U.S. "because trade interests with Nicaragua superceded human rights interest."

With regard to the third point raised by Mr Seaga, namely that the Caribbean was being treated as part of Latin America, he said that while a policy was framed for Latin America, "we are expected to fit into that policy." In this regard, he said that the Caribbean was developing into a substantial bloc of nations which, in the next five years, would have some 15 or 16 independent countries, including Guyana and Belize.

In another five years the number of independent territories was likely to increase by 10, following on the trend that has been set for the grant of independence to mini-states. He instanced Ellice Island in the Pacific, with 7,000 persons, as being the most recent example.

"So that you will have the Caribbean with 25 countries, having a population of 25 million, as against Latin America, which will have only 18 independent countries," Mr Seaga urged that the Caribbean should be treated as a separate entity and not be considered "an appendage of Latin America."

He said that part of the reason why Latin America was being "lumped together" with the Caribbean America, was that it was regarded as a playground area, as a resort area, in which it was difficult to imagine that serious problems existed.

Mr Seaga urged that the U.S. Congress inform itself more about the Caribbean and not rely on scant briefings and newspaper reports about the problems of the Caribbean.

He described the Caribbean as a "virtual mine of richness in democratic principles and traditions," adding that in the last ten years there had been a trend away from these principles in the Caribbean, largely born out of the fact that there was "frustration with the strategy for development that has gone hand-in-hand with the democratic system of government and the inability of that strategy to provide the necessary benefits that the societies of the Caribbean expect."

He said that this trend was tending to whittle away the strength of democratic principles.

Mr Seaga said that the strategy of development which had been in operation in the Caribbean had been the market system economy allied with a free political multi-party system, "and because this strategy of development has not worked to the extent expected, there is a trend now towards centrally-planned economies, and this is leading to centrally-planned societies in which the multi-party state will disappear and be replaced by fascist dictatorial systems," Mr Seaga said.

"So that the extent to which the mixed economy and market system was able, as a strategy, to produce the expected benefits for the Caribbean population, would be the extent to which it would keep the society open to the democratic principles which it has respected. And it is necessary to know the problems which are impeding the strategy of development of the market system as a successful tool, in order to understand the extent to which the democratic structure may be prejudiced.

"And the Congress should inform itself on a much better basis about the problems of this area, rather than treat it superficially, because there is reason to believe the administration was endeavouring to have a deeper understanding of Caribbean problems, but that the Congress was lagging behind in coming to grips with the Caribbean situation," Mr Seaga concluded.

MEXICO

GOVERNMENT OFFERS TO HOST U.S.-SOVIET ARMS TALKS

PA212229Y Paris AFP in Spanish 2030 GMT 21 Oct 78 PA

[Text] Mexico City, 21 Oct (AFP)--It was announced here today that Mexico has offered to host the periodic talks between the United States and the Soviet Union on the transfer of conventional arms. A Mexican Foreign Ministry communique states that the offer was made "in recognition of the importance of the talks." The communique says that Mexico "is convinced that it is an important objective to prevent irrational wasting of financial resources represented by the transfer and use of certain conventional arms without adequate regulation."

TRIPS TO PRC, JAPAN CONSIDERED OF GREAT IMPORTANCE

PA210110Y Paris AFP in Spanish 2131 GMT 20 Oct 78 PA

[Excerpts] Mexico City, 20 Oct (AFP)--Mexican President Jose Lopez-Portillo said today that "China and Japan will balance the forces of our world at the end of this century and the forces of our world at the end of this century and the beginning of the next century." The Mexican president made the statement at the local airport a short time before leaving for a northern Mexican state from where he will begin a tour of China and Japan tomorrow. Lopez-Portillo emphasized that the trip will permit Mexico to establish closer ties with the governments of almost one-quarter of the world's inhabitants. The Mexican president attaches great importance to the role that Mexico's relations with China and Japan will have in solving the present and future problems of Mexico. Lopez-Portillo will be in China from 23 to 30 October and in Japan from 30 October to 4 November. During his visit he will sign cultural and exchange agreements between Mexico and the two countries.

JOSE ANGEL CONCHELLO EXPELLED FROM PAN

PA201522Y Paris AFP in Spanish 0522 GMT 20 Oct 78 PA

[Text] Mexico City, 19 Oct (AFP)--Jose Angel Conchello, former president of the opposition National Action Party (PAN), has been expelled from the party, it was officially announced today. Conchello, who for many years led the rightwing, antigovernment party, said, when informed of the action, that "he will fight to be readmitted" since he views the decision as "untimely and inappropriate." PAN's disciplinary commission decided to expel the leader because he bitterly criticized the party on several occasions. For the first time the PAN did not nominate a candidate during the 1975 presidential race due to profound internal differences. With the expulsion of Conchello, one of its few remaining prominent figures, PAN "risks further rifts," party deputies said when they were informed of the news."

PERU

THREE MAJOR PARTIES ANNOUNCE PRESIDENTIAL CANDIDATES

PA212241Y Lima EXPRESO in Spanish 15 Oct 78 p 19 PA

[From "La Semana y La Noticia" page]

[Text] After the Popular Action Party proclaimed Fernando Belaunde Terry as its presidential candidate, spokesmen for the Peruvian APRA party and the Popular Christian Party hastened to announce that Haya de la Torre and Bedoya will be their respective candidates. Nevertheless, Belaunde has publicly stated, after appealing for the unity of all Peruvians to solve the economic crisis, that he still supports the idea of an agreement among the three large parties, believing that such an agreement would be favorable for the country.